

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

B R A Z I L

DIVERSITY IN ACCESS TO HIGHER EDUCATION

**Operation No. 1406/OC-BR
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DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

BRAZIL

INNOVATION LOAN

DIVERSITY IN ACCESS TO HIGHER EDUCATION

(BR-0364)

LOAN PROPOSAL

This document was prepared by the project team consisting of: Jorge Tejada (COF/CBR); Carlos Herrán (RE1/SO1); Bernadete Buchsbaum (LEG/OPR); Yony Orbegoso (RE1/SO1); and Carmiña Albertos (RE1/SO1), Project Team Leader.

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ABBREVIATIONS

CESI	Committee on Environment and Social Impact
ENEM	Exame Nacional do Ensino Médio [national secondary school examination]
FUNAI	Fundação Nacional do Índio [National Indigenous Foundation]
HE	Higher education/post secondary education
HS	High school/secondary school
IBGE	Instituto Brasileiro de Geografia e Estatística [Brazilian Geography and Statistics Institute]
ICPs	Innovative course projects
INEP	Instituto Nacional de Estudos e Pesquisas Educacionais [National Educational Studies and Research Institute]
MEC	Ministério da Educação [Ministry of Education]
MEIs	Monitoring and evaluation institutions
OIS	Operating institutions
PCNEM	Parâmetros Curriculares Nacionais para o Ensino Médio [national secondary school curriculum parameters]
PEU	Program executing unit
PNAD	Pesquisa Nacional por Amostra de Domicílios [National Household Sample Survey]
SEDUCs	Secretarias de Educação Estaduais [state education departments]
SEMTEC	Secretaria de Educação Média e Tecnológica [Secondary and Technology Education Secretariat]
SFC	Secretaria Federal de Controle [Federal Audit Department]
UNESCO	United Nations Educational, Scientific and Cultural Organization



BRAZIL

IDB LOANS

APPROVED AS OF APRIL 30, 2002

	<i>US\$Thousand</i>	<i>Percent</i>
TOTAL APPROVED	24,002,295	
DISBURSED	18,068,289	75.3%
UNDISBURSED BALANCE	5,934,005	24.7%
CANCELLATIONS	1,359,959	5.7%
PRINCIPAL COLLECTED	6,101,853	25.4%
APPROVED BY FUND		
ORDINARY CAPITAL	22,314,374	93.0%
FUND FOR SPECIAL OPERATIONS	1,558,545	6.5%
OTHER FUNDS	129,376	0.5%
OUTSTANDING DEBT BALANCE	11,966,436	
ORDINARY CAPITAL	11,552,597	96.5%
FUND FOR SPECIAL OPERATIONS	413,316	3.5%
OTHER FUNDS	524	0.0%
APPROVED BY SECTOR		
AGRICULTURE AND FISHERY	955,282	4.0%
INDUSTRY, TOURISM, SCIENCE TECHNOLOGY	6,106,855	25.4%
ENERGY	2,301,141	9.6%
TRANSPORTATION AND COMMUNICATIONS	3,802,919	15.8%
EDUCATION	852,705	3.6%
HEALTH AND SANITATION	2,889,865	12.0%
ENVIRONMENT	591,178	2.5%
URBAN DEVELOPMENT	2,219,438	9.2%
SOCIAL INVESTMENT AND MICROENTERPRISE	2,861,640	11.9%
REFORM PUBLIC SECTOR MODERNIZATION	1,075,192	4.5%
EXPORT FINANCING	244,977	1.0%
PREINVESTMENT AND OTHER	101,103	0.4%

* Net of cancellations with monetary adjustments and export financing loan collections



INTER-AMERICAN DEVELOPMENT BANK
Regional Operations Support Office
Operational Information Unit

BRAZIL

STATUS OF LOANS IN EXECUTION AS OF APRIL 30, 2002

(Amounts in US\$ thousands)

APPROVAL PERIOD	NUMBER OF PROJECTS	AMOUNT APPROVED	AMOUNT DISBURSED	% DISBURSED
Before 1996	13	2,601,100	2,313,047	88.93%
1996 - 1997	14	2,493,265	1,282,181	51.43%
1998 - 1999	15	2,805,000	1,213,314	43.26%
2000 - 2001	17	2,610,192	195,930	7.51%
2002	3	420,000	0	0.00%
TOTAL	62	\$10,929,557	\$5,004,472	45.79%

* Net of Cancellations . Excluding export financing loans.



Brazil

Tentative Lending Program

2002

Project Number	Project Name	IDB US\$ Millions	Status
BR0301	Northeast Microenterprise	30.0	APPROVED
BR0355	Santa Catarina Highways Stage IV	150.0	APPROVED
BR0323	Prodetur II Northeast Region	240.0	APPROVED
BR0313	Acre Sustainable Development	64.8	APPROVED
BR0357	Pará Urban Desenvolpemente (para Urbe)	48.0	
BR0364	Diversity in University	5.0	
BR0374	Urban Paraná	100.0	
BR0378	PROMOTION OF ETHICS AND DEFENSE OF PUBLIC PATRIMONY	3.0	
BR0351	Goiania Water and Sanitation	50.0	
BR0365	Modernization Comptroller Office	5.0	
*BR0367	Termoacu Co-Generation Power Project	25.0	
*BR0370	Campos Novos Hydroelectric Power Project	75.0	
BR0324	Ceara Sanitation II	120.0	
*BR0394	Sao Salvador	37.0	
*BR0395	Termonorte	56.0	
Total - A : 15 Projects		1,008.8	
*BR0377	Electropaulo Capital Expenditures	75.0	
BR0254	Florianopolis-Osorio Highway Moderniz.	300.0	
BR0302	Fortaleza Urban Transport	86.2	
*BR0368	Carioba II Thermoelectric Power Project	74.5	
Total - B : 4 Projects		535.7	
TOTAL 2002 : 19 Projects		1,544.5	

2003

Project Number	Project Name	IDB US\$ Millions	Status
BR0373	Promotion of Cultural Development	10.0	
BR0318	Tourism Development Program Prodetur Sul	200.0	
BR0372	São Paulo Fiscal Administration	15.0	
BR0297	National Food/Agricultural Research Syst	30.0	
BR0366	Increase Eletric Power Supply	600.0	
BR0356	Espirito Santo Highways	73.0	
BR0391	Downtown São Paulo Rehabilitation Procentro	100.4	
BR0358	Financing of Private Delivery of Soc.ser	200.0	
BR0375	Urban Transportation Curitiba2	40.0	
BR0376	Sustainable Development in Amapa	21.0	
BR0369	State Reform Sector Loan	500.0	
BR0371	Sao Paulo Line #5	175.5	
Total - A : 12 Projects		1,964.9	
BR0266	New Irrigation Model	90.0	

	Total - B : 2 Projects	90.0
	TOTAL - 2003 : 14 Projects	2,054.9
	Total Private Sector 2002 - 2003	342.5
	Total Regular Program 2002 - 2003	3,256.9
* Private Sector Project		

DIVERSITY IN ACCESS TO HIGHER EDUCATION

(BR-0364)

EXECUTIVE SUMMARY

Borrower:	Federative Republic of Brazil	
Executing agency:	Ministério da Educação (MEC) [Ministry of Education] through the Secretaria de Educação Média e Tecnológica (SEMTEC) [Secondary and Technology Education Department]	
Amount and source:	IDB: (OC)	US\$5 million
	Local:	<u>US\$4 million</u>
	Total:	US\$9 million
Financial terms and conditions:	Amortization period:	20 years
	Disbursement period:	3 years
	Grace period:	3 years
	Interest rate:	variable
	Inspection and supervision:	1%
	Credit fee:	0.75% on the undisbursed balance
	Currency:	United States dollars from the Single Currency Facility
Objectives:	The general objective is to promote equity and diversity in higher education for Afro and indigenous Brazilians and other socially disadvantaged groups in the country. The specific objectives are: (i) to help formulate on a participative basis policies and strategies for social inclusion and to combat racial and ethnic discrimination in secondary and higher education; (ii) boost the capacity of the MEC in this area; and (iii) support, develop, and evaluate innovative projects for promoting access to higher education for Afro and indigenous students that contribute to the formulation of such policies and strategies.	
Description:	The program has four components to achieve these objectives: (i) development of studies, research, and products for formulating a policy on social inclusion; (ii) institutional strengthening; (iii) support for and evaluation of innovative course projects; and (iv) social communications.	

Component 1: Development of studies, research, and products for formulating a policy on social inclusion (US\$1 million) is intended to produce inputs and create spaces for dialogue and consensus building to develop a policy and strategies for social inclusion and to combat racial and ethnic discrimination in secondary and higher education. Research, studies, technical meetings and workshops will be financed in the following subcomponents: (a) promotion of renewed appreciation of cultural diversity; (b) establishment of a conceptual understanding of social exclusion, discrimination and racial and ethnic inequality in Brazil in secondary and higher education; and (c) proposals for a policy of social inclusion in secondary and higher education. Each subcomponent will finance the production and distribution of educational materials on combating racial and ethnic discrimination, based on the results of the studies and seminars.

Component 2: Institutional strengthening (US\$500,000) is intended to strengthen the MEC as an institution so that it can deal with and promote social inclusion and combat racial and ethnic discrimination. To achieve this objective, support will be provided for two diversity advisory committees in SEMTEC, one for Afro-Brazilians and the other for indigenous peoples, and the creation of a centralized information system within the MEC, that includes a portal on racial and ethnic inequalities, diversity and social inclusion on the MEC's web page, Intranet, databases on experiences and experts in the field, a library and a teaching resource center, etc.

Component 3: Support for and evaluation of innovative course projects (US\$5.89 million) is intended to support and evaluate innovative course projects that promote access to higher education and improving secondary school performance for Afro and indigenous Brazilians. Innovative course projects (ICPs) will be financed in nine states (Bahía, Maranhão, Mato Grosso, Mato Grosso do Sul, Minas Gerais, Rio de Janeiro, Rio Grande do Sul, Pará and São Paulo). Three subcomponents are included: (a) support for the ICPs, which includes financing for innovative courses to promote access to higher education, whose innovative elements include their target population, content, use of resources in preestablished categories and evaluation; (b) monitoring and evaluation of the ICPs; and (c) entrance grants for students who complete an ICP and are admitted to an institution of higher learning, as an incentive for them to remain in school, and post-secondary education students that have won annual essay competitions on this topic.

Component 4: Social communications (US\$960,000) is intended to establish a strategy to inform education professionals, civil society

and the government about the project and its products. It has two subcomponents: (a) design and implementation of a social communications strategy to publicize the program's components and to enable parties to mobilize prior to the call for the submission of innovative projects under component 3; and (b) dissemination of proposals for social inclusion policies and strategies and other products obtained from the activities in the previous components.

**The Bank's
country and
sector strategy:**

The proposed innovation program is consistent with the Bank's and the country's strategy, since it is intended to reduce social inequities by focusing on excluded groups and will contribute to poverty reduction. The operation responds to the government's priority of training human resources, as a condition for boosting the productivity and competitiveness needed for sustained economic growth, and to the Bank's renewed commitment to support human capital development to reduce social inequity.

**Environmental
and social
review:**

CESI's recommendations were included in this proposal in pertinent activities (see paragraph 1.15). It is not anticipated that the program will have any adverse environmental impacts.

Benefits:

The program will strengthen mechanisms for dialogue and agreement among agencies and players from the public sector, the academic world and civil society, as a possible practice for formulating public policies, with social monitoring and control. This will support the strengthening of institutions and democracy in the country. It will also help to generate, consolidate and disseminate innovative approaches and lines of conduct to be included in the design of a policy for social inclusion.

As a result of the ICPs, the school performance of the target population is expected to improve. This program, which complements Brazil's educational policy, will help to deepen it by promoting access by Afro and indigenous Brazilians to higher learning, raising their incomes and, in the long term, narrowing the education and access gaps between them and the white population.

Risks:

Owing to the political transition in the country, there is a risk that the commitment to combating racial and ethnic inequality may change. However, it is very likely that the program will continue, since during the participative design of this operation, it was apparent that Brazilian society is becoming increasingly aware of racial and ethnic inequalities and that the players (civil society organizations, universities, etc.) strongly support social inclusion for Afro and indigenous Brazilians. Moreover, the counterpart funds will be included in the multi-year investment plan.

Special contractual clauses:	The borrower will present evidence of the following to the Bank's satisfaction prior to the first disbursement: (i) that the program executing unit (PEU) has been established and adequately staffed (paragraph 3.3); and (ii) the Operating Regulations for the program agreed to with the Bank have been placed in effect (paragraph 3.6).
Poverty-targeting and social sector classification:	This operation does not qualify as a poverty-targeted investment (PTI) although it contributes to poverty reduction to some degree through actions directly targeted to people living below the poverty line (ICP grants in component 3) ¹ . The program is a social equity enhancing project in the education sector, as described in the indicative targets mandated by the Bank's Eighth Replenishment (document AB-1704) (paragraphs 2.21 and 2.22).
Exceptions to Bank policy:	None
Procurement:	Goods and services will be procured in accordance with Bank procedures. The program does not include construction contracts. International competitive bidding will be mandatory for goods costing US\$350,000 and over and services worth more than US\$200,000. Price will be one of the criteria used to select service providers, as required in document GN-1679-3. When selection is based on technical and price offers, price will not weigh more than 20 percent in the selection criteria. For ICPs, selection with a preestablished fixed price will be used. To streamline program execution, the Bank will use the system of ex post evaluation for contracts of less than US\$100,000 in the case of procurement of goods, for contracts of less than US\$50,000 in the case of individual consultants, and for contracts of less than US\$100,000 in the case of consulting firms. In addition, the Bank will perform an ex ante review of the first two calls for tenders for goods and services in the amounts above indicated and the first two calls for tenders in the selection of institutions that present the ICPs and of the evaluation and monitoring institutions.

¹ Forty percent of the potential beneficiaries of the ICPs in the nine selected states are living below the poverty line (IDB Research Department, 2001).

I. FRAME OF REFERENCE

A. Background and socioeconomic context

- 1.1 Brazil is marked by high poverty and inequality indexes. Although it has relatively high per capita income for the region and has maintained annual average economic growth over the last decade of close to 3 percent, the results of that growth in terms of poverty reduction are not sufficient. This is largely explained by the persistence of high inequality indexes that limit the impact of growth on poverty reduction. In fact, Brazil has the highest inequality index in the region (Gini of 0.58) and the wide income gap between the 20 percent richest and the 20 percent poorest (25 times) has not changed significantly in the last 20 years.
- 1.2 Recent studies have shown that poverty reduction is highly sensitive to moderate reductions in the inequality index. It would require 15 years of growth at 6 percent a year (an improbable figure) to reduce the poverty index by one half, if there were no improvement in income distribution. In contrast, the same reduction in poverty could be obtained with growth of 3.5 percent a year (more realistic), if equity in education (number of years schooling, promotion rates and quality) and the focus of transfers to the poor were improved. Therefore, policies and programs specifically aimed at reducing inequities are called upon to play an important role in Brazil's social policy and poverty reduction agenda.
- 1.3 Recent studies by the Instituto de Pesquisa Econômica Aplicada [Applied Economic Research Institute] have concluded that inequities in education and in returns on education account for about one half of income differentials. Gaps in education are aggravated by the large differences in returns on education, particularly between university graduates and people who have failed to complete high school. Accordingly, a reduction in education gaps lies at the heart of any social inclusion policy intended to improve the economic opportunities and social mobility of excluded or marginalized groups.

B. Educational inequalities in Brazil

1. Educational inequalities of Afro-Brazilians¹ and indigenous Brazilians

- 1.4 In Brazil as in most Latin American countries, human development indicators show that people of African and indigenous descent are at great socioeconomic disadvantage compared to the rest of the population. Despite significant progress in the country's education system over the last decade, such as universal access to basic education, the improvement in student retention and promotion rates on the primary level, and better access and quality on the secondary level, educational

¹ Brazil's national census classifies the population according to five racial groups: branco (white), preto (black), pardo (brown), amarelo (yellow) and indigenous. For the purposes of simplicity, this document uses the word 'Afro-Brazilian' for *pretos* and *pardos*, which are categories used in the national census.

inequities continue to be considerable and have a sharper impact on the very poor and on Afro-Brazilian and indigenous groups².

- 1.5 **An analysis of education gaps by color group** indicates that a large part of inequities begin on the primary level. Just 41 percent of the *preto* and *pardo* population (mostly Afro-Brazilians)³ completes the eight years of compulsory basic education, compared to 64 percent for whites. The survivors who are able to finish high school encounter major barriers to access to higher education compared to whites. While 35 percent of white students who complete the secondary level enter university, just 18 percent of *pretos* and *pardos* are able to do so (see Annex I-1, Table 1).
- 1.6 **An analysis of schooling by income quintile and color** indicates that beyond the differences in income levels that mark all the region's education systems, the gap in access between Afro-Brazilians and whites is particularly wide in higher education. Two relevant phenomena exist that justify this program's proposals: (i) in secondary school, differences in access between whites and Afro-Brazilians are relatively small and depend on income level, where they are lower in the middle quintiles and disappear in the upper quintile; and (ii) in contrast, in the transition to higher education, wide color gaps exist and are independent of socioeconomic level. Access levels for Afro-Brazilians in all quintiles are just half of the levels for whites. The necessarily selective nature of post-secondary education is not only regressive but generates social exclusion (see Annex I-1, Graph 1).
- 1.7 This gap in access to higher education, which is partly caused by the challenges of quality and inequity in basic and secondary education and partly by endemic problems of poverty, leads to serious inequities in the job market and perpetuates the poverty and socioeconomic exclusion of Afro-Brazilians and indigenous Brazilians. The proposed program, by focusing on improving the equity of access of Afro-Brazilian and indigenous students to higher education and lowering the barriers and economic, educational, and cultural factors (see paragraph 1.10) that affect them proportionately more than whites, seeks to promote their social mobility, enable them to enjoy better educational opportunities and higher incomes and help break the inter-generational transmission of poverty.

² Only half of the poorest 20 percent of Brazilians enter high school and most of them leave before completing it. Just one third of Afro-Brazilians enter secondary school and only one out of five of them graduate.

³ People of African descent (blacks and most browns although the latter group includes a small number of people not of African descent) account for 42.5 percent of Brazilians, or almost half of the population, while indigenous peoples account for 0.1 percent, according to the Pesquisa Nacional por Amostra de Domicílios (PNAD) 1998 and the Síntese dos Indicadores Sociais 1999 of the Instituto Brasileiro de Geografia e Estatística (IBGE).

2. The role of universal and focussed educational policies

- 1.8 Elimination of educational inequalities is a gradual process that has been making good headway over the last decade on the primary level and, more recently, on the secondary level. This progress has been the result of universal policies to improve basic and secondary education. Between 1992 and 1999, differences in access to basic education by income level and region virtually disappeared and gaps in access for racial groups were substantially narrowed. While 80 percent of *pardo* and *preto* children attended school in 1992 (compared to 97 percent of whites), in 1999, 94 percent of those youngsters attended school (compared to 99 percent of whites).
- 1.9 Despite this major progress, which demonstrates the effectiveness of universal education policies in improving educational opportunities for everyone, significant challenges remain in continuing to reduce the education gap with respect to repeater and promotion rates and quality. The Brazilian government is tackling these challenges with the support of the IDB and the World Bank, through federal and state programs to support the reform and improvement of primary and secondary schooling. However, if the idea is to quickly reduce the inequities and barriers in the transition from high school to post-secondary education, specific and focussed actions are required to complement universal education policies. Policies and programs that focus on specific groups are essential complements to universal policies in order to make faster progress toward the goals of educational policy in general and improve its progressive impact, thereby helping to reduce educational and income inequities that affect less fortunate groups.

C. Justification and innovative nature of the program

- 1.10 This project is a first approach to identifying and acting on the factors that limit access by Afro-Brazilians and indigenous Brazilians to higher education. The factors are economic, educational and cultural. The **economic factors** include the opportunity cost of continuing to study instead of working and the private costs of textbooks and materials for higher education, plus student transportation and living costs. The **educational factors** include the relatively low performance of public high schools compared to elite private schools, which places Afro-Brazilian and indigenous public-school students at a disadvantage when it comes time to compete for the limited spaces in the most prestigious universities and programs. These disadvantages are exacerbated by the reduced access of students from families with less education to cultural goods and enrichment courses to boost their performance and prepare them for university entrance examinations (*vestibular*). **Cultural factors** also exist that operate through discriminatory practices and attitudes toward race and ethnicity by teachers and society as a whole. The proposed program will act directly on educational and economic factors that can be affected by policies on the secondary level and indirectly on cultural factors, through studies, workshops and information activities that place the issue of social inclusion and the promotion of diversity on the public agenda and provide inputs for the definition of specific

educational policies and programs to promote access by Afro-Brazilian and indigenous students to post-secondary institutions and enable them to remain there.

- 1.11 The innovative nature of the program has several facets: (i) it seeks to formulate public policy proposals in a participative manner, creating spaces for exchanges of ideas, promoting dialogue and building consensus between social players and the government; (ii) it will help to place the issues of diversity and social inclusion for Afro-Brazilians and indigenous Brazilians on the educational policy agenda, who have thus far been relatively absent from social policies; (iii) it is a significant step toward recognition of the need for focused programs to complement universal policies for human capital development; (iv) it will generate information and learning about a complex issue that is a source of much controversy in the country; (v) it will build up institutional experience and create capacity in the Ministry of Education to address the inclusion of Afro-Brazilian and indigenous students in secondary and higher education, consistent with the principles and objectives of educational policy; (vi) it will provide financial support for a limited set of pilot projects and evaluate them carefully to identify best practices and lessons learned, examine their effectiveness and demonstrate the advantages of targeting actions to Afro-Brazilians and indigenous Brazilians in order to increase the economic and social returns for a group that has been traditionally excluded and lives with inequity and poverty; and (vii) it includes a campaign for social communications and dissemination of the results of the program to the different players and society at large, which will make it possible to appropriate the results and develop larger-scale social inclusion programs. The outcomes of the operation can be used as the basis for decisions on future investments in actions for social inclusion in the education system.

D. Program design

- 1.12 The following aspects were considered in the design of an intervention strategy for social inclusion in secondary and higher education: (i) the information available on barriers to access and early school leaving by Afro-Brazilian and indigenous students is insufficient and segmented; (ii) the situation is complex, there is no consensus in Brazil on how to deal with racial and ethnic issues, and knowledge and strategies for dealing with them in the education system are insufficient; (iii) existing initiatives undertaken by universities and civil society organizations for inclusion in higher education are scattered and unsystematic, there are no evaluations to measure their efficiency, and actions are not policy based; (iv) there is scant linkage between secondary and higher education; and (v) there are socioeconomic differences between regions and states and therefore differentiated interventions are needed.
- 1.13 The direct beneficiaries of program activities are chiefly Afro-Brazilian and indigenous students in the last year of secondary school and students from that group who have completed high school and are interested in pursuing their education. The program proposes to document and systematically evaluate different

initiatives to promote access by the group under consideration to higher education, to determine which strategies are the most effective and, based on the results, to design an innovative policy and strategies for social inclusion, consistent with the principles of the country's educational policy. In addition, the results of the program will also make it possible to: (i) propose viable strategies that help to address the lack of consistency between the school context and content and the cultural traditions of Afro-Brazilians and indigenous Brazilians; (ii) build capacity in the education system to deal with the issue; and (iii) promote social recognition of the rich diversity of Brazilian society.

- 1.14 The program has taken the above-mentioned points into consideration and includes activities and provisions to address them. A broad process of consultation with civil society organizations and other interested groups was carried out during program preparation and their recommendations have been included in the final design.
- 1.15 The program was considered by CESI at its meeting on 12 June 2001. Its recommendation to apply a gender approach in all project components will be included in the terms of reference for studies and research. Since women are in the majority in secondary and higher education in Brazil, it is not necessary to apply a gender approach in component 3. However, the evaluations of activities in that component will break down information by sex and color. The program is not expected to have any adverse environmental impacts.

E. Bank sector strategy

- 1.16 The Bank's action in the country has been marked by its participation in areas that are priorities for the government and by its innovative nature. The strategy defines the following areas as priorities: (i) promoting reform and modernization of the State; (ii) supporting competitiveness and market access; (iii) reducing social inequities and poverty; and (iv) addressing problems in environmental management and natural resources. The proposed program fits into the third Bank strategy, since it will assist groups that have been excluded and contribute to poverty reduction. This operation also responds to the priority that the government attaches to human resource training, as a condition for boosting the productivity and competitiveness that are needed for sustained economic growth, and to the Bank's renewed commitment to support human capital development, as a way of reducing social inequities.

II. THE PROGRAM

A. Objectives and description

- 2.1 The general objective is to promote equity in education and diversity in higher education for Afro-Brazilians and indigenous Brazilians and other socially disadvantaged groups. The specific objectives are: (i) to help formulate, on a participative basis, policies and strategies for social inclusion and combat racial and ethnic discrimination in secondary and higher education; (ii) boost the capacity of the MEC in this area; and (iii) support, develop, and evaluate innovative projects for promoting access to higher education for Afro-Brazilian and indigenous students that contribute to the formulation of such policies and strategies.

B. Program structure

- 2.2 The present program has been designed with four components to achieve the objectives: (i) development of studies, research, and products for formulating a social inclusion policy; (ii) institutional strengthening; (iii) support for and evaluation of innovative course projects; and (iv) social communications.

1. Component 1. Development studies, research, and products for formulating a social inclusion policy (US\$1 million)

- 2.3 This component is intended to produce inputs and create spaces for dialogue and consensus building among the different players with an interest in this area (the MEC, other government agencies, the academic world, civil society) to develop a policy and strategies for social inclusion and to combat racial and ethnic discrimination in secondary and higher education. The following subcomponents are intended to achieve this objective: (a) promotion of renewed appreciation of cultural diversity; (b) establishment of a conceptual understanding of social exclusion, discrimination and racial and ethnic inequality in Brazil in secondary and higher education; and (c) proposals for a policy of social inclusion in secondary and higher education. Consulting services will be financed to undertake research and studies and participative workshops and technical meetings will be held to establish suitable conditions for discussion and consensus-building for future approval of the policy and strategies. The production and distribution of educational materials on combating racial and ethnic discrimination, based on the results of the studies and workshops, will also be financed.

a. Promotion of renewed appreciation of cultural diversity (US\$400,000)

- 2.4 The objective is to promote renewed appreciation in secondary education of the contributions of Afro-Brazilians and indigenous Brazilians to the country's multicultural identity and their social and economic contributions to development.

The following actions have been designed to achieve this objective: (i) **research and studies** on the cultural aspects that are typical of these groups, an analysis of the national secondary school curriculum parameters (PCNEM) to identify gaps and opportunities for inclusion of cultural appreciation and other issues; (ii) **preparation, production and distribution of curricular materials** on appreciation of cultural diversity for use in the classroom, consistent with the PCNEM. These materials, will consist of modules for each area of knowledge and inter-disciplinary modules; and (iii) **production and airing of a series of television programs—*TV Escola*** on appreciation of cultural diversity for use in secondary education. Consulting services, technical meetings and workshops with high school teachers to define material requirements for promoting cultural diversity, at least two workshops for discussion and dissemination of the materials, and publications will be financed.

b. Establishment of a conceptual basis for understanding social exclusion, discrimination and racial and ethnic inequality in secondary and higher education (US\$200,000)

- 2.5 The objective is to lay the conceptual and operational groundwork for preparing social-inclusion policy proposals and strategies in secondary and higher education. Consulting services will be financed to conduct studies in the following areas, as a minimum: (i) systemization and/or production of quantitative and qualitative studies on gaps in equity in access, continuation and completion of secondary and higher education by Afro-Brazilian and indigenous students and the white population and identification of the causal, conditioning and perpetuating factors of inequity; (ii) systemization, typology, and mapping of existing strategies and programs to promote access to and continuation of education (by state, region, university program, etc.) in secondary schools and post-secondary institutions; and (iii) analysis of policies and strategies and studies of best practices, first, on combating racial and ethnic exclusion and, second, on access, continuity and completion of secondary and higher education for Afro-Brazilian and indigenous students in Brazil and in other countries. Existing policies and programs will be analyzed, which include long-term actions to address the structural causes of inequity and short-term actions to compensate for existing inequities in education. At least two workshops and technical meetings to discuss and analyze the results of these studies and the related publications will also be financed.

c. Proposals for a policy of social inclusion in secondary and higher education (US\$400,000)

- 2.6 The objective of this subcomponent is to design, in a participative manner, proposals for a policy and strategies for social inclusion in secondary and higher education and to study and propose viable mechanisms for implementing them in the different levels of public education (national and state). Consulting services will be financed to develop **general proposals** that take account of the diverse conditions and particular situation of each state in the country and includes an

analysis of the results of the activities financed with program resources. The final versions of the general proposals should include the results and lessons learned from the evaluations of innovative pilot courses (see component 3). **Specific proposals** prepared by institutions with experience in this field will also be financed, for example: (i) a proposal on access to and continuation in post-secondary school for Afro-Brazilians and indigenous Brazilians; and (ii) a strategic plan for institutional strengthening to promote diversity and social inclusion and to combat racial and ethnic discrimination by high school teachers. All these proposals should include: a legal analysis and institutional, operational, and financial alternatives for their implementation. As part of the methodology for designing the proposals, workshops and technical meetings for discussion and analysis of the results of these studies and the related publications will also be financed.

2. Component 2. Institutional strengthening (US\$500,000)

- 2.7 This component is intended to strengthen the MEC as an institution in order to treat and promote social inclusion and cultural diversity, and to combat racial and ethnic discrimination. Two activities are included to achieve this end. First, support for the diversity advisory committees in the Secondary and Technology Education Secretariat (SEMTEC), one for Afro-Brazilians and one for indigenous peoples that will report directly to the Secretary of the SEMTEC (mentioned in paragraph 3.4 of this document). Financing will be provided for consulting services, travel, and per diems as well as workshops and technical seminars. Second, the creation of a permanent information center in the MEC for matters concerned with social inclusion, cultural diversity, efforts to combat racial and ethnic discrimination, and methods for improving quality tailored to the needs of Afro Brazilians and indigenous peoples. This center will include a portal on racial and ethnic inequalities, diversity and social inclusion on the MEC web page, Intranet, a national database of experiences, and other experts in this field, and the procurement of reference material and teaching resources in these areas.
- 2.8 Financing will be provided for: (i) two individual consultants to create a web portal on the subject of racial and ethnic inequality and measures for social inclusion on the MEC's web page and to design a data bank on experiences and professionals in the field (data bank with differentiated levels of information, linked to the web page); and (ii) procurement of computer equipment, bibliography and teaching resources. National counterpart funds will be used to hire the services of a person to maintain the systems permanently during the project, who will form part of the program executing unit (PEU).

3. Component 3. Support for and evaluation of innovative course projects (US\$5.89 million)

- 2.9 This component is intended to support and evaluate innovative course projects (ICPs) that promote access to higher education and improve the performance of

secondary education for Afro-Brazilians and indigenous Brazilians. The ICPs will be financed in nine states selected on the basis of representative Afro Brazilian and indigineous peoples socioeconomic status in the country (see Annex III-1 for the selection criteria). These states are Bahía, Maranhão, Mato Grosso, Mato Grosso do Sul, Minas Gerais, Pará, Rio de Janeiro, Rio Grande do Sul, and São Paulo. The results of the evaluations of the ICPs will be used as inputs for social-inclusion policy formulation. Three subcomponents are included: (a) support for innovative course projects; (b) monitoring and evaluation of the ICPs; and (c) entrance grants.

a. Support for innovative course projects (US\$4.29 million)

- 2.10 The main objective of the ICPs is to improve student performance in the national secondary school examination (ENEM), thereby promoting their entrance into an institution of higher learning (technology institute or university). The ICPs have the following features: (i) most of the places will be offered to Afro-Brazilian and indigenous students who are completing or have completed high school and are interested in pursuing their post-secondary education (technology institute or university); (ii) they include a living allowance (study grant) only for students with monthly family per capita income that does not exceed one minimum wage⁴; (iii) they are based on a suitable methodology for selecting students and bursary holders that ensures the representativeness of low-income students; (iv) their academic content is consistent with the national curricular guidelines for secondary education (technology institute or university); (v) they include social training content and activities, such as the establishment of networks, visits to universities and companies, in-service training and other actions to permit students to learn more about the globalized society in which they live and facilitate their entrance into post-secondary school and the world of work; (vi) they include contents and activities for appreciation of cultural diversity and access to cultural goods, such as subscriptions to periodicals, scientific journals, access to libraries, audiovisual and technological supports, visits to museums and others; (vii) they last from between 400 classroom hours in a minimum of four months to 900 hours in up to nine months; (viii) they have suitable technical and administrative teams to provide instruction; (ix) they present a suitable curriculum; (x) they present a course timetable, including distribution of teaching hours, classroom time and course supervision; (xi) they present a proposal on activities and distribution of funds based on the categories and limits established in the Operating Regulations; (xii) they have institutional capacity to manage student bursaries; (xiii) they do not require more than US\$100,000 in funding⁵; and (xiv) they are willing to cooperate in monitoring and evaluation.

⁴ The bursaries will range between R\$40 and R\$60, which will only cover transportation costs. This minimum means that that the bursaries will not be attractive to students who do not need them.

⁵ The total for each ICP will be based on R\$1 per student/hour.

b. Monitoring and evaluation of the ICPs (US\$1.2 million)

- 2.11 The ICPs will be monitored and evaluated as feedback for the formulation of social inclusion policies. A monitoring and evaluation institution (MEI) will be contracted for each state.
- 2.12 The ICP students will take an examination similar to the national secondary school examination (ENEM) before and upon completion of each course. Improvements in test scores will be used as a progress indicator for determining which innovations are most effective. Graduates of the ICPs will also be monitored to determine the percentage entering post-secondary institutions and to identify the beneficiaries of the entrance grants.

c. Entrance grants (US\$400,000)

- 2.13 Financial awards will be given as incentives for ICP students and to promote this area of study at the post-secondary level. The MEC, with the counterpart resources, will award two categories of prizes. The first will be an amount equivalent to a maximum of US\$500 for students that have: (i) completed an ICP; (ii) obtained higher scores in ENEM type exams in a given year; and (iii) enrolled in and graduated from a post-secondary institution ranked by the MEC as category A or B.⁶ The second will be compensation equivalent to a maximum of US\$2,000 to students that graduate from post-secondary institutions and are successful in an annual essay competition on cultural and ethnic diversity.

4. Component 4. Social communications (US\$960,000)

- 2.14 This component will design and carry out social communications campaigns to inform society about project activities and execution procedures and the results. It has two subcomponents: (i) social communications strategy to publicize the project; and (ii) dissemination of policy proposals and strategies for social inclusion and other program products.

a. Social communications strategy to publicize the project (US\$360,000)

- 2.15 This subcomponent will design and implement a social communications strategy to publicize project components widely in society. The strategy will be targeted to public and private secondary and post-secondary institutions, other academic institutions, civil society organizations and other interested sectors. A special effort will be made to ensure that the information reaches civil society organizations that

⁶ There are two procedures for classifying institutions by category, with A and B being the highest levels of educational quality. One is the *Provão*, a national examination administered by the Instituto Nacional de Estudos e Pesquisas Educacionais [National Educational Studies and Research Institute] (INEP), which evaluates the institution based on student results, and the other is an analysis of educational supply for accreditation performed by SEMTEC.

have traditionally been excluded from access to funding for lack of proper information.

- 2.16 The main activities to be financed are: (i) design and production of materials to promote and publicize program activities; (ii) an information campaign to encourage participation by potentially eligible players and to raise awareness to establish favorable currents of opinion that will legitimize program processes and activities; and (iii) a strategy to bring together and mobilize interested parties prior to the start of the program.

b. Dissemination of social-inclusion policy and strategy proposals and other products of the preceding components (US\$600,000)

- 2.17 This subcomponent will disseminate the results and products of components 1, 2 and 3. Consultants will be contracted and at least two workshops and technical meetings will be held to divulge the results of the program.

C. Cost and financing

- 2.18 The program will cost an estimated total of US\$9 million, to be financed with a Bank loan of US\$5 million and a counterpart of US\$4 million, distributed as shown in the following table:

Table II-1
Cost Table (in US\$ thousands)

Categories	IDB/OC	Local counterpart	Total	%
1. Program administration		450	450	5%
2. Component 1. Development of inputs for a social inclusion policy	1,000	0	1,000	11%
2.1 Renewed appreciation of cultural diversity	400		400	
2.2 Conceptual basis of social exclusion, discrimination and inequality	200		200	
2.3 policies for social inclusion in secondary and higher education	400		400	
3. Component 2. Institutional strengthening	250	250	500	5.5%
4. Component 3. Support for and evaluation of innovative course projects (ICPs)	2,890	3,000	5,890	65%
4.1 Support for ICPs	2,290	2,000	4,290	
4.2 Monitoring and evaluation of the ICPs	600	600	1,200	
4.3 Entrance grants	0	400	400	
5. Component 4. Social communications	660	300	960	11%
5.1 Social communications strategy to publicize the project	210	150	360	
5.2 Dissemination of policy proposals for social inclusion	450	150	600	
6. Evaluation of program	150	0	150	2%
Subtotal	4,910	4,000	8,910	
7. Inspection and supervision (1%)	50	0	50	0.5%
Total	5,000	4,000	9,000	100.0
Financing by source of funds	56%	44%	100%	

- 2.19 The Bank will contribute 56 percent of the cost of the program in United States dollars from the Single Currency Facility of the Ordinary Capital, with a 20-year amortization period and a three-year grace period. The interest rate on the loan will be variable, with a credit fee of 0.75 percent on the undisbursed balance and an inspection and supervision fee of 1 percent of the loan.
- 2.20 The local counterpart will cover 44 percent of the cost of the program and will be provided by the Federative Republic of Brazil through the National Treasury.
- 2.21 This operation does not qualify as a poverty-targeted investment (PTI) although it contributes to poverty reduction to some degree through actions directly targeted to people living below the poverty line (ICP grants in component 3)⁷.

⁷ Forty percent of the potential beneficiaries of the ICPs in the seven selected states are living below the poverty line (IDB Research Department, 2001).

- 2.22 This program is a social equity-enhancing project in the education sector, as described in the indicative targets mandated by the Bank's Eighth Replenishment (document AB-1704). Also, as an outcome of program actions to improve educational returns for beneficiaries, it is expected to have an impact on income distribution and to alleviate the relative poverty of Afro-Brazilians and indigenous Brazilians compared to the white population. The logical framework presents performance indicators for measuring the improvement in social equity.

III. PROGRAM EXECUTION

A. Execution

- 3.1 The borrower will be the Federative Republic of Brazil, which will cover the debt service and be responsible for the local counterpart contribution.
- 3.2 The executing agency will be the Ministério da Educação (MEC) [Ministry of Education], through the Secretaria de Educação Média e Tecnológica (SEMTEC) [Secondary and Technology Education Secretariat]. For efficient program management, SEMTEC will establish a program executing unit (PEU) that reports directly to the secretary and is independent from other MEC activities.
- 3.3 The PEU will be responsible for efficient and timely program execution, coordinating planning and implementing its technical, financial and administrative aspects, and for follow-up and evaluation. The PEU will be headed by an executive manager, who will maintain direct links with the secretary of SEMTEC for general guidance on the program and its execution policies, ensure coherence among the components and coordinate activities with other MEC agencies. The PEU will also have three technical coordination offices: (i) a social promotion office, which will be responsible for the execution of components 1, 2 and 4; (ii) an innovative course projects office, which will execute component 3; and (iii) an administrative and financial office, staffed by administrative, financial and accounting specialists. The executing agency must obtain the Bank's nonobjection for contracting the technical staff of the PEU. **Establishment of the PEU and presentation of evidence that it is adequately staffed will be a condition precedent to the first disbursement.**
- 3.4 Two diversity advisory committees will be set up, one for Afro-Brazilians and another for indigenous peoples, and will report directly to the secretary of SEMTEC, to support the MEC in its formulation of policies to promote social inclusion and combat racial and ethnic discrimination in secondary and higher education. These committees will be composed of senior technical experts and their main functions will be to: (i) advise SEMTEC on the formulation of policies to promote social inclusion and combat racial and ethnic discrimination and participate in a number of technical meetings and workshops; (ii) advise on the preparation of educational materials; and (iii) coordinate efforts with MEC structures (such as the Secretariat of Basic Education and the Secretariat of Higher Education) and with external players such as other ministries, the National Indigenous Foundation (FUNAI), civil society organizations, the private sector, etc., to establish ties of cooperation with other entities, unify lines of action inside the MEC and furnish information on these issues.
- 3.5 To regulate transfers of funds and the commitments of the PEU and service providers, the program will be governed by the stipulations of the loan contract between the Bank and the borrower.

B. Operating Regulations

- 3.6 The program has Operating Regulations that establish guidelines and eligibility criteria for program activities. The Regulations contain institutional mechanisms for execution and for the ICP cycle, eligibility and selection criteria for the operating institutions, the ICPs and the monitoring and evaluation institutions, and the eligibility of the other investments. The following will form an integral part of the Operating Regulations: (i) the model contracts and inter-institutional agreements; (ii) the manual on presentation of innovative course projects; and (iii) the manual on monitoring and evaluation of the innovative course projects. **The MEC is required to place the version of the Operating Regulations agreed upon with the Bank in effect as a special condition precedent to the first disbursement.**

- 3.7 The most relevant aspects of the Operating Regulations are presented below.

1. Execution of components 1, 2 and 4

- 3.8 The investments for these components have been planned in detail with respect to terms and conditions and the execution schedule. The PEU will be responsible for planning and directly executing these components. It will be required to: (i) prepare terms of reference for the studies to be conducted, when they are to be performed by consultants; (ii) specify technical requirements for materials and technical equipment, when necessary; (iii) establish terms of reference for all training; (iv) prepare the bid documents, cost estimates and draft contracts; (v) organize and carry out the necessary bids and contracts; and (vi) supervise the execution of all contracts. The PEU will establish terms of reference and an annual operating plan for the first year within three month after the loan contract becomes effective.

2. Execution of component 3

- 3.9 The funds for this component have been pre-assigned by applying a formula based on demand and equity (see Annex III-1). Table III-1 presents the ceilings for each state that has been selected.

Table III-1

State	Limit
Pará	US\$ 400,000
Maranhão	US\$ 400,000
Bahía	US\$1,100,000
Mato Grosso do Sul	US\$ 100,000
Mato Grosso	US\$ 100,000
Minas Gerais	US\$ 590,000
Río de Janeiro	US\$ 400,000
São Paulo	US\$1,100,000
Río Grande do Sul	US\$ 100,000
TOTAL	US\$4,290,000

- 3.10 **Institutional eligibility and responsibilities.** For execution of this component, the ICPs will be selected by means of public competition, in accordance with national law. Once they have been selected, the MEC will sign agreements with the Operating Institutions to permit the transfer of resources for implementing the ICPs. Public or private operating institutions (OIs) with suitable equipment and installations and at least one year's experience in teaching and administering courses to prepare Afro-Brazilians and indigenous Brazilians for access to higher education will be eligible to offer the ICPs. In some cases, NGOs with institutional weaknesses that offer similar courses could associate with institutions interested in supporting them to present a joint proposal. The OIs will be responsible for: (i) offering the ICPs, as agreed with SEMTEC; (ii) keeping records of physical and financial progress in the courses; and (iii) cooperating with the MEI in monitoring and evaluating the ICPs.
- 3.11 The MEIs will be responsible for monitoring and evaluating the ICPs. To be eligible, they must be legally established as nonprofit entities under public or private law. They must have experience in monitoring and evaluating education projects and demonstrate that they have a suitable technical team and adequate installations and equipment. The MEIs will be universities or recognized research institutions or other eligible entities. Their functions will include: (i) monitoring the ICPs based on the manual for monitoring and evaluation of innovative course projects; (ii) performing monthly supervision of the ICPs and provide the PEU with the corresponding progress reports; (iii) applying a rigorous evaluation methodology, including the survey of a base line and using control groups; (iv) as agreed in advance with SEMTEC, administer ENEM-type secondary school achievement tests to ICP students, at the start and end of the course, in order to measure their academic progress; (v) following up on students who have entered institutions of higher learning; and (vi) presenting a final evaluation report on the ICPs to be used as input for the formulation of a social inclusion policy.
- 3.12 **Monitoring and evaluation of the ICPs.** The MEIs will be responsible for supervising the ICPs, and will be supported by an information system containing progress indicators to facilitate the production of the regular and special reports

required by the program. Monitoring will cover the number of students enrolled, broken down by sex and a self-definition of color based on the categories established in the national census, and class attendance. Their academic progress will be evaluated by administering an ENEM-type test for that purpose. The MEIs will also prepare an impact evaluation of the course, to which end they will establish control groups and use a suitable methodology.

C. Procurement of goods and services

- 3.13 Goods and services will be procured in accordance with Bank procedures. The program does not include construction contracts. International competitive bidding will be mandatory for goods costing US\$350,000 and over and services worth more than US\$200,000. Price will be one of the criteria used to select service providers, as required in document GN-1679-3. When selection is based on technical quality and price, price will not weigh more than 20 percent in the selection criteria. For ICPs, selection with a preestablished fixed price will be used. To streamline program execution, contracts for goods under US\$100,000, contracts for individual consultants under US\$50,000 and contracts for consulting firms under US\$100,000 will be subject to ex post evaluation.
- 3.14 Owing to the innovative nature of the program, it is not feasible to establish a detailed procurement plan in advance. However, the PEU will present a detailed plan to the Bank for the first year within three months after the loan contract becomes effective, and the subsequent procurement plans will be included in the annual operating plans.
- 3.15 With the objective of fine-tuning program operations, the loan contract will establish the requirement that the PEU must present to the Bank for ex ante review the first two bid processes in general, the first two for the ICPs, and the first two for the MEIs. Annex III-2 presents the procurement schedule for the program.

D. Revolving fund

- 3.16 The program will be executed in three years. The revolving fund for the operation will be 5 percent of the loan. Semiannual reports will be presented on the status of the revolving fund within 60 days after the close of each semiannual period.

E. Execution period and disbursement schedule

- 3.17 The program will be executed in 30 months and the disbursement period will be 36 months, as shown in the following table:

Table III-2
Estimated program costs by year (in US\$ thousands)

Source	Year 1	Year 2	Year 3	TOTAL
IDB	1,400	2,200	1,400	5,000
Local	1,100	2,000	900	4,000
TOTAL	2,500	4,200	2,300	9,000
Percentage	28	47	25	100

F. Internal control, financial statements and auditing

- 3.18 The executing agency will be accountable to the Bank for: (i) the preparation and presentation of disbursement requests and justifications of expenditures; and (ii) maintenance of suitable accounting and financial records and an internal control system for reporting financial transactions financed from the loan, in accordance with Clause 7.01 of the Bank's General Conditions. The system will be organized to provide the documentation necessary to verify transactions and facilitate timely preparation of financial statements and reports. The program's records must be kept in a way that: (i) makes it possible to identify the sums received from the different sources; (ii) in accordance with a chart of accounts to be approved by the Bank, reports the investments made from the loan and the counterpart funds; (iii) provides the detail necessary to identify the goods procured and the services contracted; and (iv) demonstrates the cost of the investments in each category and progress in activities.
- 3.19 The executing agency will present the program's financial statements, audited by the Secretaria Federal de Controle (SFC) [Federal Audit Secretariat] and in accordance with Bank requirements, within 120 days after the close of each fiscal year.

G. Follow-up and evaluation

- 3.20 Within 30 days after the end of each six-month program period, SEMTEC will present semiannual progress reports to the Bank on program activities. The report coinciding with the start of each year will also include the plan of operations for the year, the program's financial statements and information on procurements made in the preceding year and those planned for the current year. For the purposes of monitoring and evaluating program results, the reports will include a comparative annual report on progress in a group of performance indicators agreed upon by the Bank and SEMTEC, which are described in Annex III-3 (logical framework).
- 3.21 Each year, within 30 days after presentation of the semiannual report coinciding with the start of the year, the Bank and the MEC will perform an evaluation to study the information presented and evaluate program progress, any difficulties encountered in execution and solutions to surmount them.

- 3.22 As part of the evaluation process, two evaluations – one mid-term and one final – will be performed, based on the logical framework (Annex III-3) and the methodology and guidelines agreed on by the MEC and the Bank. The results of the first evaluation will be presented to the Bank after 50 percent of the funds have been committed or 18 months after the loan contract becomes effective, whichever comes first. The evaluation will examine the extent to which the program has achieved the goals, detecting problems and introducing corrective measures to ensure that the objectives are met. The final evaluation, which will be based on the same content and methodology as the mid-term evaluation, will be prepared within three months prior to the date of the final disbursement of the loan and the results will be presented to the Bank together with the final disbursement request. The evaluation should include: (i) a comparison between program objectives and results; (ii) identification of restrictions or limitations with a negative impact on the program, to be taken into account in future; (iii) an analysis of the factors that contributed to the program's success; (iv) a quantitative and qualitative evaluation of the final results including the ICP evaluations made by the MEIs (see paragraph 3.11); and (v) a description of the main lessons learned from the innovative program, to be considered in the preparation of a new loan for the sector.

IV. BENEFITS AND RISKS

A. Benefits

- 4.1 The program will strengthen mechanisms for dialogue and agreement among agencies and players from the public sector and civil society, as a possible practice for formulating public policies, with social monitoring and control. This will support the strengthening of institutions and democracy in the country.
- 4.2 Through the studies and the materials prepared, fortification of the capacity of the MEC and the execution and evaluation of pilot projects, the program will also help to generate, consolidate and disseminate innovative approaches and lines of conduct to be included in the design of a policy for social inclusion.
- 4.3 Although the operation does not qualify as a PTI, its activities will benefit low-income Afro-Brazilians and indigenous Brazilians (see the footnote to paragraph 2.21). As a result of the ICPs, the school performance of the target population is expected to improve, thereby improving its access to higher education. This program, which complements Brazil's educational policy, will help to deepen it by promoting access by Afro-Brazilians and indigenous Brazilians to higher learning, raising their incomes and, in the long term, narrowing the education and access gaps between them and the white population.

B. Risks

- 4.4 Owing to the political transition in the country, there is a risk that the commitment to combating racial and ethnic inequality may change. However, it is very likely that the program will continue, since during the participative design of this operation, it was apparent that Brazilian society is becoming increasingly aware of racial and ethnic inequalities and that the players involved (civil society organizations, universities, etc.) strongly support social inclusion for Afro-Brazilians and indigenous Brazilians. Moreover, the counterpart funds will be included in the multi-year investment plan.

C. Performance indicators

- 4.5 With this innovative program, the following specific learning contents are expected to be identified: (i) the most effective policies, strategies and programs for promoting access by Afro-Brazilian and indigenous students to higher education; (ii) teaching materials that promote a renewed appreciation of cultural diversity and which are suitable for classroom use in high schools; and (iii) complementary activities and reinforcements to improve the quality and impact of courses to promote access to higher education by Afro-Brazilian and indigenous students.

- 4.6 The logical framework (Annex III-3) includes specific indicators for each set of activities, referring to: (i) policies and strategies formulated, socially-accepted and validated by the MEC, which include plans for implementing the proposed policy measures; (ii) generation of information and materials that promote cultural diversity and social inclusion in secondary and higher education; (iii) strengthening of the capacity of the MEC to design policies in a participative matter and in its technical knowledge of the issue of social inclusion in the education system; and (iv) execution and evaluation of innovative course projects to promote access to post-secondary education by Afro-Brazilian and indigenous students, and other socially disadvantaged groups.

FOCUSING OF INNOVATIVE COURSE PROJECTS

TARGET POPULATION AND PILOT STATES

- 1.1 Component 3 will finance enrichment courses for students in the final year of high school and university entrance courses for Afro-Brazilian and indigenous students who have completed or are in the final year of secondary school. The goal is also to promote entrance into university for the very poor (relative poverty). This component, which accounts for 55 percent of program funds, is focused on the basis of the demographic and educational characteristics of the states and the poverty of the target population.
- 1.2 Brazil is a country with large socioeconomic and educational differences between regions, and therefore the program will finance a series of pilot projects that are representative of that diversity. Table 1 shows the differences between the regions (which is replicated on the state level) and which makes it possible to define a case typology based on the values for the main variables that determine access for Afro-Brazilians to higher education, i.e.: (i) the percentage of the Afro-Brazilian population (*preto* or *pardo*); (ii) the percentage of young Afro-Brazilians between the ages of 20 and 25 who complete high school (HS); and (iii) the percentage of them who go on to higher education (HE).

Table 1
Educational indicators for the Afro-Brazilian population by region

Region	% Afro-Brazilian population		% Afro-Br. 20-25 years who complete HS	Gap between blacks/whites who complete HS	% of Afro-Br. who complete HS and enter HE	Gap in access to HE between blacks/ whites
	% of population in each region	% of total Afro-Br. population				
North	70.9	7.9	24.8	0.65	17.1	0.63
Northeast	70.1	44.8	16.5	0.53	18.7	0.64
Center- west	53.0	8.2	21.4	0.54	21.7	0.57
Southeast	35.1	34.9	24.0	0.52	16.4	0.46
South	15.7	5.3	16.4	0.41	23.6	0.63
National Total	45.3	100%	20.2	0.48	18.1	0.51

Source: RES, Social Information Service, based on household surveys (PNAD/99)

- 1.3 Table 2 summarizes the main characteristics of the target population in seven pilot states that were selected from among the states with the largest percentages of Afro-Brazilian young people who completed high school and who, taken together, represent more than half the target population nation wide. For the final selection,

consideration was also given to the fact that there are indigenous communities in some states and descendants of runaway slaves (*quilombos*), reflecting cultural diversity criteria. The states were also selected because they were representative of the five main socioeconomic and geographic regions, in an attempt to cover a broad gamut of contexts in both socioeconomic and educational terms, and also on the basis of existing programs and initiatives for access to university by Afro-Brazilians. The idea is to build on these and other similar experiences, evaluate them and disseminate them so they can be used as inputs for the formulation of education policies for social inclusion.

Table 2 Characteristics of the target population in nine pilot states				
Pilot state	% of the population 20-25 year of age declaring themselves to be <i>preto or pardo</i>	Target population (1) Afro-Brazilian students in grade 11 (thousands)	Target population (2) Afro-Brazilian students who complete HS (thousands)	% of the target population (1+2) living below the poverty line
Bahia	78.3	67	110	55%
Maranhão	75.3	21	40	60%
Mato Grosso	62.8	11	22	39%
Mato Grosso do Sul	45.7	6	14	34%
Minas Gerais	49.1	70	89	45%
Para	74.0	21	34	51%
R. de Janeiro	39.4	36	78	31%
R. G. do Sul	14.5	15	22	44%
São Paulo	28.9	121	218	27%
Total	51%	368	627	40%

Source: RES, Social Information Service, based on household surveys (PNAD/99)

- 1.4 These states were chosen as the focus of the program by crossing three fundamental variables: (i) the weight of the Afro-Brazilian population out of the state population; (ii) the percentage of Afro-Brazilians in the final year of high school or who have completed it, which is the target population; and (iii) the percentage of this target population living below the poverty line for Brazil used by the Bank. These three criteria determine the distribution of funds to finance courses in each state, based on a weighted formula that assigns them in proportion to the target population and therefore in proportion to potential demand, but progressively, giving more funding to states in function of the poverty level of the target population in each of them¹.

¹ The formula takes the size of the target population that could potentially benefit from the program in each state as the base (with a weight of 50 percent) and corrects the initial allocation by using two indexes that measure the relative weight of the Afro-Brazilian population in each state and the percentage of the target population living below the poverty line. Both indexes are calculated using the national average for the two indicators as the basis and each is weighted by 25 percent.

- 1.5 In addition to the criteria for focusing the program in the pilot states, eligibility criteria were also established for the courses to be financed (see Chapter III), with one being that the majority of students must be Afro or indigenous Brazilians.

**PROCUREMENT PLAN
(IN US\$ THOUSANDS)**

Main program procurements *	Financing		Year				Type of bid
	IDB (%)	Local (%)	2002	2003	2004	Total	
1. Consulting services (30 contracts)	40	60	400	900	1.260	2.560	LCB (70%) ICB (30%)
2. Contracts (50 contracts)	50	50	720	1.440	1.440	3.600	LCB
3. Materials (15 contracts)	55	45	300	300	300	900	LCB

1. Consulting services include the contracting of the monitoring and evaluation institutions, specific consulting services for research, and communication services.
2. Contracts refer to the innovative course projects to promote access to higher education.
3. Materials refer to teaching and publicity materials.

** LCB: Local competitive bidding

ICB: International competitive bidding

**BRAZIL. DIVERSITY IN ACCESS TO HIGHER EDUCATION
(BR-0364)
LOGICAL FRAMEWORK**

Summary of objectives	Indicators	Means of verification	Assumptions
<u>GOAL</u> To promote educational equity and diversity in higher education for Afro-Brazilian and indigenous students, consistent with the country's educational policy.	<ul style="list-style-type: none"> By the end of the program, the Ministry of Education (MEC) has proposals for policies and strategies supported by society and innovative projects evaluated to promote equity in the education system. The percentage of Afro and indigenous students in higher education increases and is maintained at a higher level. 	<ul style="list-style-type: none"> Reports on policy proposals and workshops. Final report by the Secretariat of Secondary and Technological Education (SEMTEC). 	
<u>PURPOSE</u> To formulate on a participative basis and validate policy proposals and innovative projects for social inclusion and to combat racial and ethnic discrimination in secondary and higher education.	<ul style="list-style-type: none"> Policy and strategy proposals formulated participatively and validated by MEC authorities. Experiences validated and institutional capacity strengthened. At least 40% (4,000 students) of ICP graduates improved their performance on an examination similar to the National Secondary School Examination (ENEM) or a significant difference was found with respect to the control group. At least 20% of course graduates were admitted by an institution of higher learning (technology institute or university) or is found to differ significantly from the control group. 	<ul style="list-style-type: none"> Documents containing policy and strategy proposals that include a legal analysis and institutional, operational, and financial options for implementing them. Monitoring and evaluation reports by the monitoring and evaluation institutions. Final report by SEMTEC. 	<ul style="list-style-type: none"> The authorities maintain the political will to reduce educational inequities for Afro and indigenous Brazilians and promote diversity in secondary and higher education. The proposals for social inclusion policy are accepted by society and viewed as feasible by the players.
<u>COMPONENTS AND ACTIVITIES</u> 1. Development of inputs for a social inclusion policy 1.1 Renewed appreciation of cultural diversity: curricular materials	<ul style="list-style-type: none"> Inputs for a policy of social inclusion in secondary and higher education formulated and supported by the education community and civil society and validated by the MEC. By month 3, one workshop for high school teachers and three technical 	<ul style="list-style-type: none"> Final consultants' reports approved by the MEC. Materials approved by the MEC. Videos approved by the MEC. Document on the results of workshops for teachers. Documents on policy and strategy proposals that include a legal analysis and 	<ul style="list-style-type: none"> Any conflicts among groups and actors are suitably channeled through processes of agreement and consensus and dialogue. The key players (education system managers, high school and university teachers, academics, public authorities and members of civil society) join in, participate and contribute to formulating the policy proposal.

Summary of objectives	Indicators	Means of verification	Assumptions
<p>analyzed, new materials prepared and videos filmed and distributed.</p> <p>1.2 Establishment of a database containing information on social exclusion in high school (HS) and higher education (HE).</p> <p>1.3 Proposals for a social inclusion policy in secondary school and post-secondary education.</p>	<p>meetings to determine material requirements for the promotion of diversity and inclusive practices in teaching held.</p> <ul style="list-style-type: none"> By month 14, new materials prepared, published and distributed by the MEC. By month 18, the MEC has a conceptual base on social inclusion that includes as a minimum, systemization of diagnoses, mapping and analysis of existing policies, strategies and programs, established and supported by society. By month 26, four workshops and at least 18 meetings with technical experts and specialists from civil society held. By month 30, proposals for social inclusion policies formulated, supported by society and validated by the MEC. 	<p>institutional, operational, and financial options for implementing them.</p> <ul style="list-style-type: none"> Final report by SEMTEC. 	
<p>2. Institution building</p> <p>2.1 Institution building for SEMTEC.</p>	<ul style="list-style-type: none"> Capacity installed in the MEC and professional development provided for high school teachers. By month 6, two diversity advisory committees established and operating. By month 12, equipment installed and operating in SEMTEC and the web page portal operating. 	<ul style="list-style-type: none"> Semiannual reports by the PEU. Follow-up and evaluation reports. Reports by the monitoring and evaluation institutions. Documentation and manuals on the information system. 	
<p>3. Support for and evaluation of innovative course projects</p> <p>3.1 Innovative course projects carried out and evaluated.</p>	<ul style="list-style-type: none"> Innovative course projects to promote access to post-secondary education and to strengthen secondary school education carried out, evaluated and included in the policy proposals. By month 26, at least 10,000 students have taken innovative courses that promote access and provide educational 	<ul style="list-style-type: none"> Progress reports and evaluation of each of the courses by the monitoring and evaluation institutions. Semiannual reports by the PEU. Final report. 	<ul style="list-style-type: none"> The program is well received by society at large and by the main players Ten fully perform their contracts with MEC

Summary of objectives	Indicators	Means of verification	Assumptions
<p>3.2 Monitoring and evaluation performed.</p> <p>3.3 Entrance grants awarded.</p>	<p>enrichment.</p> <ul style="list-style-type: none"> By month 30, all ICPs are executed and evaluated, and their results are incorporated in the policy proposals. In month 18 and month 30, entrance grants and prizes for best essays are awarded by the MEC. 		
<p>4. Social communications</p> <p>4.1 Project publicized and sensitization campaign carried out.</p> <p>4.2 Policy proposals and other project results disseminated and supported by society.</p>	<ul style="list-style-type: none"> Sensitization campaign carried out, project widely disseminated and society supports the results Sensitization and publicity campaign designed and carried out by month 3. Strategy to bring together and mobilize interested parties previously designed and carried out by month 6. Dissemination of results during the project and in month 30. 	<ul style="list-style-type: none"> Campaign design document. Semiannual report. Final report. 	